

Message Text

LIMITED OFFICIAL USE

PAGE 01 NAPLES 00665 190824Z

12

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 FTC-01 /081 W

----- 095370

P 181700Z JUN 75

FM AMCONGEN NAPLES IT

TO SECSTATE WASHINGTON DC PRIORITY 4447

INFO AMEMB ROME IT

AMCONGEN MILAN IT

LIMITED OFFICIAL USE NAPLES 665

E.O. 11652: N/A

TAGS: EINV, IT

SUBJECT: CONTINUING DIFFICULTIES OF AMERICAN SUBSIDIARIES IN NAPLES

REF: A. NAPLES 617, B. NAPLES 147

C. NAPLES 596

SUMMARY: RICHARDSON-MERRELL (R-M) PHARMACEUTICALS NOTIFIED UNIONS JUNE 16 OF INTENTION FIRE 371 EMPLOYEES (REF.A). PRIOR TO ACTION, R-M DECLINED INFORM ITALIAN MINISTRIES AND TURNED DOWN EMBASSY ROME OFFER TO APPROACH GOI OR PROVIDE OTHER ASSISTANCE ON R-M'S BEHALF. WORKER, UNION AND REGIONAL GOV'T. REACTION TO FIRINGS VOCIFEROUS. HOWEVER NO ACTION BY WORKERS TO OCCUPY PLANT ANTICIPATED BEFORE

PAGE 2 RUFLSKA7286 C O N F I D E N T I A L

EARLY JULY. END SUMMARY.

1. INFORMATION REGARDING R-M PLANS FIRE 371 EMPLOYEES AND 12 MANAGEMENT PERSONNEL DID NOT BECOME PUBLIC UNTIL RECEIPT OF FIRMS'S OFFICIAL NOTIFICATION BY UNIONS JUNE 16, FOLLOWING ELECTIONS. MEANWHILE, INITIATIVE OF NAPLES INDUSTRIALISTS UNION PRESIDENT CERIANI TO STIMULATE RESUMPTION OF R-M -- ANIC NEGOTIATIONS UNSUCCESSFUL. R-M LOCAL PRESIDENT HERNANDEZ, IN SERIES OF CONVERSATIONS WITH LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NAPLES 00665 190824Z

COMMERCIAL OFFICER, INDICATED THAT HARD LINE OF FIRMS'S U.S.MANAGE-

MENTS AND OF PRESIDENT, MERRELL INTERNATIONAL, LINDSAY NOW GOVERN-
ING AND REFLECTED IN DECISIONS: (A) NOT TO INFORM ITALIAN
MINISTRIES AND REGIONAL AUTHORITIES CONCERNED OF PLANNED DISMISSAL
ACTION; (B) TO RENEGE ON GUARANTEES OF NO LAYOFFS OR FIRINGS FOR
SIX MONTHS, MADE AT REGIONAL GOVERNMENT OFFICERS ON FEBRUARY 14
(REF. B); AND, (C) TO CLOSE DOOR TO POSSIBILITIES OF FURTHER
NEGOTIATIONS WITH STATE ENTITY ANIC AND OTHER POTENTIAL PURCHASERS.
THIS ATTITUDE ALSO REFLECTED IN JUNE 12 MEETING OF LINDSAY AND
HERNANDEZ WITH ACTING DCM ELY AND COMMERCIAL COUNSELOR ZUCCA.
EMBASSY OFFICERS EXPRESSED WILLINGNESS TO PRESS FOR RESUMED DIS-
CUSSIONS WITH GOI THRU EVERY APPROPRIATE MEANS AND AT WHATEVER
LEVEL R-M CONSIDERED MOST USEFUL. HOWEVER, LINDSAY DECLINED ACCEPT

PAGE 3 RUFLSKA7286 C O N F I D E N T I A L

OFFER ON GROUNDS FIRM WAS LOSING \$40-50,000 PER DAY, AND DRASTIC
RESTRUCTURING COULD NO LONGER BE POSTPONED. QUERIED AS TO WHETHER
EMBASSY OR CONSULATE NAPLES COULD ASSIST IN ANY OTHER MANNER,
LINDSAY REPLIED IN NEGATIVE.

2. REACTION OF WORKERS, FACTORY COUNCIL, AND CHEMICAL WORKERS
UNION HAS BEEN VOCIFEROUS BUT, AS YET, RESTRAINED. REGIONAL GOVERN-
MENT OFFICIALS HAVE DENOUNCED QUOTE OPENLY PROVOCATIVE BEHAVIOR
UNQUOTE OF FIRM IN BREAKING FEB. 14 PLEDGE OF NO DISMISSALS (SEE
ABOVE). PROVINCIAL UNION CONFEDERATION CALLED FOR CONVOKING OF URGENT
MEETING TO TREAT R-M CASE AT LABOR MINISTRY IN ROME, AND R-M DIS-
MISSALS MOST LIKELY WILL BE FIRST TOPIC ON AGENDA OF TWO-DAY GOV'T
UNION MEETING IN ROME, JUNE 19-20, TO DISCUSS PROBLEMS OF UN-
EMPLOYMENT IN CAMPANIA REGION. CARMINE MAUTONE, SECRETARY OF
PROVINCIAL CHEMICAL WORKERS CONFEDERATION, IS DELEGATE TO MEETING
AND, ACCORDING R-M SOURCES, MAY LEAD DELEGATION OF R-M EMPLOYEES
(SIZE UNKNOWN, BUT UNLIKELY EXCEED 50) IN PROTEST AT LABOR AND
OTHER MINISTRIES, AND POSSIBLY EMBASSY. CISL CHEMICAL WORKERS HAVE
CALLED FOR MEETING WITH R-M MANAGEMENT TO DISCUSS DISMISSALS ON
JUNE 24 OR 25. HERNANDEZ INTENDS BE PRESENT AT THAT MEETING, WHICH
WILL BE HELD AT INDUSTRIALISTS' UNION OFFICES IN HEART OF NAPLES.

PAGE 4 RUFLSKA7286 C O N F I D E N T I A L

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NAPLES 00665 190824Z

SIZEABLE DEMONSTRATION OF R-M WORKERS EXPECTED BUT, ACCORDING
HERNANDEZ, ADEQUATE POLICE PROTECTION HAS BEEN PROMISED BY
AUTHORITIES.

3. SITUATION WITHIN R-M MANUFACTURING FACILITIES REMAINS RELATIVELY
CALM. AT WORKERS' ASSEMBLY, JUNE 16, UNIONS ADVISED WORKERS TO
MINIMIZE STRIKES AND MAXIMIZE PAY THROUGH JUNE 30, WHEN THEY ALSO
DRAW 14TH MONTH SALARY. ONLY LIMITED PRODUCTION TAKING PLACE,
PARTIALLY BECAUSE OF WORKERS SLOWDOWN, BUT PRINCIPALLY BECAUSE OF

MANAGEMENT DECISION REDUCE OUTPUT. HERNANDEZ NOW EXPECTS OCCUPATION BY WORKERS IN FIRST DAYS OF JULY, AFTER WORKERS DRAW SALARIES.

4.REGARDING DIFFICULTIES OF OTHER SUBSIDIARIES, (A) 3M PLANT MANAGER BELNAP INFORMS THAT FIRM WILL INITIATE NEGOTIATIONS WITHIN TWO WEEKS TO LAY OFF UNSPECIFIED NUMBER OF WORKERS AT TWO CASERTA PLANTS; AND, (B) RESOLUTION OF COMPLEX LABOR-MANAGEMENT DIFFERENCES ACHIEVED AT LARGE FIRESTONE TIRE PLANT IN BARI (REF. C), AS RESULT OF LENGTHY MEDIATION BY MAYOR VERNOLA AND REGIONAL LABOR ASSESSORE. COLANTONIO.

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR RELATIONS, SUBSIDIARIES, INDUSTRIAL PLANTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NAPLES00665
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750213-0730
From: NAPLES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750638/aaaabiuh.tel
Line Count: 124
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 NAPLES 617, 75 NAPLES 147
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUN 2003 by BoyleJA>; APPROVED <15 OCT 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CONTINUING DIFFICULTIES OF AMERICAN SUBSIDIARIES IN NAPLES
TAGS: EINV, ELAB, IT, US, RICHARDSON-MERREL PHARMACEUTICALS, ANIC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006